

**NATIONAL DAIRY MARKET AT A GLANCE****CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (12/29):**

**BUTTER:** Grade AA closed at \$1.1275. The weekly average for Grade AA is \$1.1300 (-.0117).

**CHEESE:** Barrels closed at \$1.0900 and blocks at \$1.1200. The weekly average for barrels is \$1.1188 (-.0132) and blocks, \$1.1450 (+.0030).

**NONFAT DRY MILK:** Extra Grade and Grade A closed at \$1.0300. The weekly average for Extra Grade is \$1.0300 (N.C.) and Grade A, \$1.0300 (N.C.).

**BUTTER:** The butter market remains weak. Churning activity is reported to be quite active as cream supplies are readily available to local butter operations across the country. Overall buying interest is slow. Most buyers are assessing inventories following the Christmas holiday before reordering. Unless stocks are immediately needed, buyers are holding off placing significant orders in a declining market. Stocks of butter are sufficient to meet current demand.

**CHEESE:** The cheese market is unsettled to weak. In holiday abbreviated trading at the Chicago Mercantile Exchange, cash cheese prices retreated from recent increases. Bulk cheese demand and deliveries were lighter as many firms operated on holiday and, in instances, weather reduced schedules. Buyers are placing orders for January delivery. Current cheese production was higher at some plants, reflecting surplus milk supplies backed up from bottlers with schools closed until January. During the week of December 25 - 29, CCC cheese purchases totaled 112,959 pounds of blocks and 259,379 pounds of barrels from the Midwest. CCC also received cancellations for 50,885 pounds of blocks and 94,896 pounds of barrels purchased previously from the West.

**FLUID MILK:** Milk volumes during the past Christmas holiday weekend, for the most part, were handled with relative ease in most all regions of the country. In instances, the weekend milk was cleared by mid-week and plants shut down. The New Year's weekend is expected to not be as active due to bottlers resuming post holiday schedules as many schools resume classes early next week. Milk production across the country varies, but is generally steady with some slight increases being reported. Adverse winter weather conditions prevailed in parts of Texas and much of Arkansas with trucks unable to get to producers or customers in a timely fashion. Cold temperatures in other Midwestern and Eastern areas are taking their toll on cows and, therefore overall milk production. The fluid cream market tone is about what would be expected during this holiday time of the year. Cream supplies are readily available for needs with most clearing to the churn. Ice cream and other cream based product production was light during the week, although orders for next week are being logged.

**DRY PRODUCTS:** Dry dairy product markets are generally steady during this week between Christmas and New Years. The high cost of natural gas and other fuels remains a concern and a determining factor on whether to dry or not. Excess milk volumes during the current holidays, when possible, are clearing the market in condensed form versus powder. Often, current firmer prices are reflecting higher drying costs. Whey markets are firm. In most all regions of the country, whey stocks are limited and often fully committed until at least mid-January. Nonfat dry milk markets are generally steady. Production levels increased this week as more surplus milk found its way into butter/powder plants. Also, the call for condensed skim eased causing more solids to be dried. Stocks of NDM continue to build with clearances to CCC occurring from Midwestern and Western producers.

**CCC:** During the week of December 25 - 29, CCC net purchases totaled 10,023,928 pounds of nonfortified and 512,498 pounds of fortified NDM. CCC also purchased 62,074 net pounds of blocks and 164,483 pounds of process cheese. CCC announced 359.9 million pounds of NDM as uncommitted as of December 22. For the calendar year 2000, CCC purchased no butter, but did purchase 16,732,966 pounds of cheese and 558,074,132 pounds of NDM. This compares to no butter or cheese purchases during 1999, but CCC did purchase 236,917,513 pounds of NDM during that year.

**PRODUCERS APPROVE AMENDMENTS TO FEDERAL MILK ORDER (USDA, DAIRY PROGRAMS, AMS):** In a news release dated December 21, 2000, the Agricultural Marketing Service (AMS) reported that producers supplying milk for each of the 11 Federal milk markets have approved amending the current Class III and Class IV pricing formulas under Federal milk orders. USDA determined producer approval by polling the producer cooperative associations in eight of the markets, and by conducting referenda in the Northeast, Mideast, and Upper Midwest markets. The interim amended orders will become effective for milk marketed on or after January 1, 2001.

**PRESIDENT-ELECT BUSH NAMES AGRICULTURE SECRETARY (AP):** George W. Bush approved the nomination of Ann Veneman of California as agriculture secretary. Veneman served as secretary of the California Department of Food and Agriculture from 1995 to 1999. She was the highest-ranking woman in the U.S. Department of Agriculture from 1989 to 1991, when she was deputy secretary for international affairs and commodities

\*\*\*\*SPECIALS THIS ISSUE\*\*\*\*

JANUARY - SEPTEMBER U.S. IMPORTS AND EXPORTS OF DAIRY PRODUCTS (PAGE 7)

JANUARY 2001 FEDERAL MILK ORDER ADVANCE PRICES (PAGE 8)

**CHICAGO MERCANTILE EXCHANGE  
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., NONFAT DRY MILK: carlot = 42,000-45,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY DECEMBER 25	TUESDAY DECEMBER 26	WEDNESDAY DECEMBER 27	THURSDAY DECEMBER 28	FRIDAY DECEMBER 29	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	No Trading	\$1.1350 (N.C.)	\$1.1400 (+.0050)	\$1.1100 (-.0300)	\$1.0900 (-.0200)	(-.0450)	\$1.1188 (-.0132)
40# BLOCKS		\$1.1650 (+.0050)	\$1.1650 (N.C.)	\$1.1300 (-.0350)	\$1.1200 (-.0100)	(-.0400)	\$1.1450 (+.0030)
NONFAT DRY MILK EXTRA GRADE	No Trading	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	N.C.	\$1.0300 (N.C.)
GRADE A		\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	N.C.	\$1.0300 (N.C.)
BUTTER GRADE AA	No Trading	—	\$1.1325 (+.0025)	—	\$1.1275 (-.0050)	(-.0050)	\$1.1300 (-.0117)

\*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at [WWW.AMS.USDA.GOV/MARKETNEWS.HTM](http://WWW.AMS.USDA.GOV/MARKETNEWS.HTM)

## CHICAGO MERCANTILE EXCHANGE

MONDAY, DECEMBER 25, 2000  
HOLIDAY - NO TRADING

TUESDAY, DECEMBER 26, 2000

CHEESE -- SALES: 5 CARS 40# BLOCKS: 1 @ \$1.1700, 2 @ \$1.1650, 1 @ \$1.1700, 1 @ \$1.1650; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, DECEMBER 27, 2000

CHEESE -- SALES: 1 CAR BARRELS @ \$1.1450; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.1400  
NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
BUTTER -- SALES: 3 CARS GRADE AA: 1 @ \$1.1250, 1 @ \$1.1300, 1 @ \$1.1325; BIDS UNFILLED: 5 CARS GRADE AA: 1 @ \$1.1300, 2 @ \$1.0100, 2 @ \$1.0000; OFFERS UNCOVERED: 3 CARS GRADE AA: 1 @ \$1.1600, 2 @ \$1.1650

THURSDAY, DECEMBER 28, 2000

CHEESE -- SALES: 3 CARS 40# BLOCKS: 1 @ \$1.1300, 1 @ \$1.1250, 1 @ \$1.1350; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.1100; 2 CARS 40# BLOCKS: 1 @ \$1.1300, 1 @ \$1.1350  
NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, DECEMBER 29, 2000

CHEESE -- SALES: 13 CARS 40# BLOCKS: 1 @ \$1.1400, 1 @ \$1.1350, 1 @ \$1.1300, 1 @ \$1.1350, 1 @ \$1.1300, 1 @ \$1.1275, 1 @ \$1.1300, 1 @ \$1.1275, 1 @ \$1.1300, 1 @ \$1.1200, 1 @ \$1.1300, 1 @ \$1.1100, 1 @ \$1.1200; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.0900  
NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
BUTTER -- SALES: 4 CARS GRADE AA: 1 @ \$1.1300, 1 @ \$1.1275, 1 @ \$1.1300, 1 @ \$1.1275; BIDS UNFILLED: 4 CARS GRADE AA: 1 @ \$1.1275, 1 @ \$1.1250, 1 @ \$1.1225, 1 @ \$1.1200; OFFERS UNCOVERED: 6 CARS GRADE AA: 1 @ \$1.1625, 2 @ \$1.1650, 2 @ \$1.1675, 1 @ \$1.1700

## BUTTER MARKETS

## NOVEMBER MONTHLY COLD STORAGE

According to NASS, November month-end cold storage figures for butter total 27.1 million pounds, 10.3% less than last year and 53.3% lower than the October holdings total.

## NORTHEAST

The market tone remains weak. Last week, the butter prices at the CME continued to decline, but at a much more moderate rate. Contacts still feel that prices have "some falling" to do before leveling off. Demand is slow, following typical post-Christmas patterns. Distributors are back to work after a long holiday weekend and they are busy restocking customers' inventories. Demand for butter is generally slow as year end inventory considerations are more of a factor, plus most users/retailers had enough butter purchased to carry them into the new year. Producers report increased offerings of cream over the holiday and churning did increase at those operations that are making butter. Less West Coast butter is being purchased now that orders have slowed and local output increased. Retail movement is slow to fair and food service orders are about steady. Sales of bulk butter, f.o.b. East, are reported in a range of 2.5 - 6 cents over the CME price/average.

## CENTRAL

The cash price at the CME firmed slightly at midweek, although the market tone is weak. Most producers and handlers anticipate prices to remain steady to lower

as the new year approaches. Churning schedules over the past holiday weekend were heavier as cream stocks were readily available. This trend is expected to continue into the new year. Butter demand has slowed greatly. Minimal orders are being placed this week as buyers assess inventories following the Christmas weekend before reordering. If at all possible, many buyers are delaying placing orders until prices stabilize in a weak market. In most instances, butter producers state that this has been a very good sales quarter. Producer stocks at the end of December are reported to be the lightest that many have experienced in recent years.

## WEST

Butter sales remain slow as buyers assess their stock levels following the Christmas rush. Some contacts are commenting that food service orders were very good, but retail sales were not as strong as anticipated because of very little feature activity. The run up in prices just before the holiday hurt retail sales. Contacts are also looking at the end of the year with inventory issues in mind. They think they may be able to get a better handle on the price situation a few weeks into the new year. Currently, churning activity is picking up as more cream becomes available. Other cream users don't want to build much inventory right at this time of year. Contacts remain curious how low prices may get early next year. Currently prices are more than 25 cents ahead of last year at this time. Current prices for bulk butter nominally range from 3 cents under to flat market based on the CME with various time frames and averages involved.

**NASS DAIRY PRODUCT PRICES**  
U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	40# BLOCKS	CHEESE BARRELS 39% MOISTURE	BARRELS 38% MOISTURE	NDM	BUTTER	DRY WHEY
DECEMBER 23	1.0955 5,943,466	1.0834 7,281,259	1.1011 7,281,259	1.0148 17,900,893	1.1531 4,078,657	0.2236 6,804,326

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

## CHEESE MARKETS

## NORTHEAST

Prices moved higher on natural and process items. Cheese prices at the CME have been increasing for the past four weeks and distributors are passing these increases along. Why the price firmness, is a question many are asking since cheese output across the country remains heavy and supplies adequate for current needs. Some suggest year end inventory values may be triggering this price run up. Over the holiday weekend, Eastern cheese operations had more milk available to them and these increased volumes should continue through most of this week. Demand for cheese is slower, particularly for gift pack items and retail sales, but food service orders are holding up nicely. Distributors are busy this short work week.

WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.1850-1.6550
Cheddar Single Daisies	:	1.1425-1.6025
Cheddar 40# Block	:	1.2825-1.4625
Process 5# Loaf	:	1.3425-1.5150
Process 5# Sliced	:	1.3625-1.6175
Muenster	:	1.3450-1.5525
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

## MIDWEST

The cheese market is steady to firm, though cautious. Cash prices have continued to increase at the Chicago Mercantile Exchange. Reports indicate that some effort has been made to stimulate prices to aid in calendar year end inventory values. Trucking is an occasional problem due to the weather (particularly ice further south) and truckers on vacation for the holidays. Cutters and processors are operating on abbreviated holiday schedules again this week. Some extra milk was available for manufacturing over the holiday weekend, but reports indicate that any extra was absorbed easily. Even more surprisingly, a couple upper Midwest bottlers were again looking for extra fluid between the holidays.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.3325-1.4800
Brick And/Or Muenster 5#	:	1.4700-1.7375
Cheddar 40# Block	:	1.4700-2.1150
Monterey Jack 10#	:	1.6700-2.1150
Blue 5#	:	1.8825-2.0900
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.4700-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.0950-2.6850

## MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),  
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	:	DECEMBER 25 - 29, 2000
BARRELS*	:	\$1.1325 - 1.1450 (NOMINAL)
	:	(\$ .0300) (.0100)
40# BLOCKS	:	\$1.1425 - 1.1925 (NOMINAL)
	:	(\$ .0325) (.0475)

( ) Change from previous week. \* If steel, barrel returned.

## WEST

Both natural and process prices continue to rebound following trading at the CME. Contacts are wondering if these price increases are related to end of the year inventory issues and they might, therefore reverse themselves after the first of the year. Both block and process cheese were offered to the government price support program last week from the West. Current demand is slower which is usual for the week between the holidays. Most participants in the market have planned ahead to not have to deal with transportation issues around the holidays. Processors continue to look for solids that are reasonably priced. Most Swiss plants are running at capacity levels. Stocks of Swiss at the end of November stood at 10.9 million pounds, up 19.9% from a year earlier. This is the first indication of inventory growth in many months.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND  
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.2825-1.5425
Cheddar 40# Block	:	1.2675-1.4075
Cheddar 10# Cuts	:	1.4475-1.6675
Monterey Jack 10#	:	1.4575-1.6175
Grade A Swiss Cuts 6 - 9#	:	2.3000-2.5400

## FOREIGN

Domestic prices increased again this week and imported styles are unchanged. The market tone is seasonal and trending a little weaker. Typically, retail demand for foreign type cheese slows after the year end holidays. Current demand is slow to fair and often for last minute needs. Imports are slower as new licenses are not yet in effect. Cheese purchases from the EU are a bit slower now that the Euro has shown some strength. Stocks in the U.S. range from light to adequate depending type and country of origin.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK  
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

NEW YORK		
VARIETY	IMPORTED	DOMESTIC
Roquefort	TFEWR	-0-
Blue	2.6400-3.1400	1.4875-2.9825*
Gorgonzola	3.2400-5.9400	2.0375-2.4900*
Parmesan (Italy)	TFEWR	2.9025-2.9275*
Romano (Italy)	2.1000-2.5400	-0-
Provolone (Italy)	3.4400-5.5000	1.4950-1.7725*
Romano (Cows Milk)	-0-	2.6775-4.8525*
Sardo Romano (Argentina)	2.6500-3.2900	-0-
Reggiano (Argentina)	2.6500-3.2900	-0-
Jarlsberg-(Brand)	2.7400-3.3100	-0-
Swiss Cuts Switzerland	-0-	2.3500-2.5500
Swiss Cuts Finnish	2.5900-2.8500	-0-
Swiss Cuts Austrian	2.2500-2.7500	-0-
Edam	:	:
2 Pound	TFEWR	-0-
4 Pound	2.1900-3.0900	-0-
Gouda, Large	2.3900-3.1500	-0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	27.8000-31.7000	-0-

\* = Price change.

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

BUTTER : CHEESE		
12/25/00	3,847	131,222
12/01/00	5,987	129,823
CHANGE	-2,140	1,399
% CHANGE	-36	1

## FLUID MILK AND CREAM

## E A S T

The base price for Class I milk for January 2001 is \$13.99 per cwt., up \$1.86 from December 2000. Class I differentials specific to each order are added to the base price to determine the Class I price. The Class II skim milk price for January is \$8.58, up 13 cents from December. Milk production is still falling in the Northeast as more contacts report that their December receipts are below last December receipts. This is probably a result of fewer cows, fewer producers, and poor quality feed, especially hay. In the Southeast, milk output is starting to inch higher, but continued cold weather and storms are taking their toll on the cows and, therefore, the milk flow. Ice storms closed roads in parts of Texas and much of Arkansas with trucks unable to get to producers or customers in a timely fashion. Some milk from other regions was shifted in to help supply customers, but road conditions were the determining factor. Many interstate highways were closed for several days. Florida's milk supply remained long. This week, handlers shipped 128 loads out of state for processing with more than half those loads clearing to manufacturing plants. This compares to 84 loads last week and 44 a year ago. Handlers in other Southeastern states are not bringing in any extra milk and are busy clearing all the local milk. Manufacturing plants ran full over the weekend, but a couple were down by midweek. Bottled milk sales range from slow to fairly good. Storm predictions are keeping bottlers "on their toes" with respect to retail movement in the next week or so. School lunch pipelines will start to be refilled later this week which should ease the volumes of surplus milk moving to manufacturing channels. The condensed skim market is weaker, but prices, for the most part, are unchanged. Some extra loads were reportedly looking for a home early in the week. Eastern dryers were more active over the holiday weekend in an attempt to clear the milk and wet solids, but condensed skim supplies are still long at midweek. The fluid cream market tone is about what would be expected during the Christmas/New Years holidays. Cream supplies are in decent balance, but quite a few loads did clear to local and Midwestern churns. Ice cream output is slow, but more plants are starting to place cream and ingredient orders for their restart early next week. Spot prices for Class II cream are lower as the butter average at the CME did drop nearly 11 cents. Sales into Class III or IV channels are at lower multiples. Cream cheese output is holding at moderate levels. Bottled cream and sour cream output is slowing as most New Year's orders have been shipped. Churning activity is moderate to heavy.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

## SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.3130-1.5984
DELIVERED EQUIVALENT ATLANTA	-	1.3130-1.5755 M 1.5070-1.5527
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.4614-1.5984

## PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- 1.0700-1.1500
NORTHEAST- CLASS III - SPOT PRICES	- .7200-1.0100

## M I D W E S T

SPOT SHIPMENTS:	LOADS
DECEMBER 22 - 28, 2000	0
PREVIOUS WEEK	0
COMPARABLE WEEK IN 1999	8

**NOTICE:** Commencing in 2001, the Wisconsin fluid milk shipment table above will be discontinued. More milk is being shipped interstate from Wisconsin for pooling purposes rather than to supplement local milk supplies as an indicator of tightness. Dairy Market News will continue to survey contacts for out of area spot shipments and make note in our comment. Concurrently with the above change, the Eastern comment will include a table showing Southeastern, mainly Florida, imports and/or exports of spot milk.

Class I demand is surprisingly strong through midweek with even a few extra purchases needed. Production of holiday items such as eggnog and dips was

slower by midweek. Just 14 loads of Wisconsin milk were direct shipped to Missouri and pooled under another federal order to supplement local offerings. Cottage cheese output was good. By in large, the first holiday weekend was pretty much another nonevent as extra milk supplies returned from bottlers were fairly easily absorbed into manufacturing plants. Also, good early bottling schedules this week allowed plants time to "clean up" extra milk prior to the second holiday weekend. Manufacturing milk demand is steady with some extra interest from cream cheese operations trying to beat the price increase in January. Reports indicated that little, if any, milk flowed into upper Midwestern plants from outside the region over the first holiday weekend. Cream demand is often softer as holiday orders have been filled and a few users, often ice cream operations, are closed until the new year. Financial problems at an upper Midwest manufacturing plant caused milk supplies to move to alternative facilities for manufacturing. Week to week plant milk receipts continue to do little with a few locations in the Midwest still not seeing the usual seasonal rebound from the annual low. Others are seeing the expected rebound in receipts. Weather related problems continue, mainly just delaying some trucks.

## WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	DEC 21 - 27	PREVIOUS YEAR
SLAUGHTER COWS	\$ 38.00- 43.00	\$ 34.00- 41.00
REPLACEMENT HEIFER CALVES	\$175.00-290.00	\$300.00-350.00

## SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	DEC 21 - 27	PREVIOUS YEAR
SLAUGHTER COWS	\$ 36.00- 47.50	\$ 33.00- 44.50

## W E S T

November pool receipts of milk in California total 2.541 billion pounds, 2.2% higher than last year. Cumulative pool output through eleven months of 2000 totals 28.906 billion pounds (unadjusted for extra day in February 2000), up 6.3% from the comparable period in 1999. For the last four months, the average increase compared to last year is 3.3%. The November blend price, at a fat test of 3.79%, is \$11.80, 63 cents higher than October. The percentage of receipts used in Class I products is 21.52%. The November quota price is \$12.69 and the base and overbase prices are \$10.99. These prices are 40 cents higher than last month but \$1.12 lower than November 1999. No real problems were noted with milk processing over the past holiday weekend in California. Energy issues remain a concern, but they did not cause any short run problems over the holiday period. Increasing drying costs remains a real concern with many plants trying to sell condensed with only limited success. Cheese plants are seeing the solids as a good value and are purchasing some of it. A wind storm hit part of southern California over the weekend with wind speeds reported to be up to 65 mph. No damage or disruptions were reported. Cream sales are negligible with most of it entering the churns currently. Sales out of the region are minimal. Milk production conditions in Arizona are good and milk is increasing seasonally. Ice and snow caused some problems with transportation in New Mexico. This storm was the beginning of the major winter storm that hit most of the mid section of the country early and mid week. Conditions did improve quite rapidly. Warm temperatures are common over much of the Pacific Northwest along with some moisture. Most are calling the conditions ideal for milk production. More producers are looking at modifying rations to save some costs to offset extremely low milk prices. Transportation problems with some grains out of the Midwest are also forcing some ration modifications. Herd culling remains light, but most expect activity to increase after the first of the year. A number of milking herds are listed for sale, but there has been no interest on the part of buyers at the prices being quoted. Two months ago, sales would easily have taken place at the offering prices. Conditions are very seasonable in northern Utah and southern Idaho. Some snow fell over the weekend and temperatures are cool. The snow pack is building nicely so that preliminary estimates for irrigation water for next spring look promising. The milk flow was handled very easily over the past holiday weekend and no problems are anticipated for the upcoming weekend either. A number of plants wouldn't mind some additional milk.

**CENTRAL AND WEST DRY MILK PRODUCTS**

All reports, except California manufacturing plants, were released 12/28/00 and represent FOB Central and Western production areas. Prices represent CL/TL quantities for domestic and export sales packaged in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

**NONFAT DRY MILK - CENTRAL**

Prices and the market tone are mixed. Offerings are once again being made to the government indicating a surplus of NDM on the market. However, some plants remain short of supplies and are able to garner higher premiums, especially on Grade A supplies. Production is increasing as plants absorb excess milk volumes from school holiday breaks. Overall increases in NDM production are less than anticipated for this time of year. Trading is slower than last week due to the holidays and end of the year planning. High heat demand is good with production often falling short of buyer needs. Mostly prices for report 52 in 1999 were 1.0200 - 1.0250.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: 1.0100 - 1.0700 MOSTLY: 1.0300 - 1.0350

**DRY BUTTERMILK - CENTRAL**

Prices are unchanged on a steady market. Buttermilk is becoming more available as churning activity increases. Supplies are mixed with some plants running tight and offering at a premium while others are building stocks and offering at a discount. Condensed continues to clear well which is a benefit to producers looking to avoid expensive drying cost. Demand is light with most buttermilk trading on regular contracts. Prices for report 52 in 1999 were .7700 - .8500.

BUTTERMILK: 1.0050 - 1.0600

**DRY WHEY - CENTRAL**

Prices are higher on a firm market. Trading activity is light due in part to the shorter work week. Tight supplies are also limiting trades with some producers unable to satisfy any spot requests. Condensed movement is increasing as buyers and producers seek lower production cost by avoiding dryer use that requires expensive fuel. Higher dry whey prices continue to trouble the feed sector. Some buyers are trying to negotiate more of their purchases on a contractual basis for 2001 to guarantee supplies. Current speculation is that the whey market will continue firm at least through mid-January and perhaps into February. Mostly prices for report 52 in 1999 were .1800 - .1850.

NONHYGROSCOPIC: .2525 - .2750 MOSTLY: .2575 - .2675

**ANIMAL FEED WHEY - CENTRAL**

Prices are unchanged to higher on a steady to firm market. As Extra Grade prices move higher, feed grade whey products also trend higher. Milk replacer supplies are tight and often short of buyer interest. Roller ground demand is good and production is unchanged. Delactose interest is increasing, especially as WPC prices trend higher. Extra grade prices are generally unchanged while off grade supplies are receiving less of a discount than in previous weeks. Hog prices are trending higher while veal markets trade lower. Prices for report 52 in 1999 on milk replacer, roller ground and delatose were .1300 - .1700, .1675 - .1900 and .2600 - .3150 respectively.

MILK REPLACER: .2100 - .2200  
ROLLER GROUND: .2375 - .2600  
DELACTOSE (Min. 20% protein): .3750 - .4000

**LACTOSE - CENTRAL AND WEST**

Prices are unchanged on a generally steady market. Trading is very light with most movement reported on regular commitments. However, inquiries are heavy from domestic blenders and bakeries and some export markets. Speculation for 2001 is mixed. Some traders suspect that with heavy WPC production, lactose may be a burdensome by-product. Others see market firmness due to anticipated shortages internationally on whey and lactose. Mesh sizes 80-100 are being offered at the average to 1 cent higher on a spot basis. Offers of Extra Grade lactose into the feed sector continue at prices as low as .1500 FOB on the lower mesh sizes. Mostly prices for report 52 in 1999 were .1900 - .2000.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1550 - .2100 MOSTLY: .1600 - .1700

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices are unchanged to higher on a firm market. Trading is light due to a tight supply and a shorter work week. Production is generally unchanged. Inquiries are heavy from feed and food facilities with most suppliers unable to satisfy the demand. Condensed supplies are heavy as some end user plants close during the holidays. Interest in condensed WPC is good into feed and high protein facilities. Movement of dry supplies is best on regular commitments with some buyers looking to contract more heavily in 2001. Off grade product is tight for the good demand. Mostly prices for report 52 in 1999 were .4250 - .4450.

EXTRA GRADE 34% PROTEIN: .7425 - .7800 MOSTLY: .7425 - .7525

**NONFAT DRY MILK - WEST**

Prices held steady for Western NDM during this holiday shortened week. Contacts wonder what impact, if any, a new pricing plan proposed by a major marketing agency that is set to take effect on January 1, will have. Western drying plants, especially in California, are trying to sell condensed skim instead of drying it. Their energy costs continue to increase and they have no sure way of recovering these costs. Meetings have been held to look at options to pursue, but most of these solutions are more long run and will not offer much immediate help. Demand this week has been light due to holiday considerations. Sellers are waiting for January to get a better indication how sales will turn out for the new year. For the week of December 18 - 22, CCC net purchases totaled 4.5 million pounds of nonfortified and 1.8 million pounds of fortified NDM from the West.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: 1.0000 - 1.0250 MOSTLY: 1.0050 - 1.0150

HIGH HEAT: 1.0400 - 1.0800

**DRY BUTTERMILK - WEST**

Western buttermilk prices range from steady to slightly higher. Offerings of powder increased due to more milk/cream being available for churning purposes because of the holiday period. These additional offerings cleared very easily. Demand remains good and is often unsatisfied.

BUTTERMILK: .9700 - 1.0200 MOSTLY: .9800 - .9900

**DRY WHEY - WEST**

Western whey prices continue to strengthen. The market undertone remains firm. The spread in prices between the West and Central regions continues to widen. Stocks of powder available for sale in the West are limited. Export shipments are expected to slow somewhat with our end of year holidays as well as the upcoming Chinese New Year impacting transportation availability and general demand patterns. Whey production ranges from steady to slightly heavier due to additional supplies of milk being available for processing.

NONHYGROSCOPIC: .1900 - .2500 MOSTLY: .2025 - .2150

**CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK**

WEEK ENDING	PRICE	POUNDS
December 22	\$1.0095	13,496,456
December 15	\$1.0093	15,095,396

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

**NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS**

All reports represent carlot/trucklot quantities for domestic and export sales packaged in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

**NONFAT DRY MILK - NORTHEAST AND SOUTHEAST**

Prices are unchanged and nominal in the Northeast. Buyers are preparing themselves for a new type of pricing structure starting January 1. Under this system, started by a large marketing agency, NDM prices are based on the previous month's NASS average and the volumes purchased. There has been a lot of conversation about this new system since its announcement. Production levels increased this week as more surplus milk found its way into butter/powder plants. Also, the call for condensed skim eased causing more solids to be dried. Some producers were able to put up quite a bit of NDM during the past week. The high cost of natural gas and other fuels remain a concern and a determining factor on whether to dry or not. Some contacts, particularly those who were not going to dry, reported difficulty finding homes for their condensed this week. Demand for NDM is fair to good.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.0500 - 1.0800 MOSTLY: 1.0600 - 1.0650

HIGH HEAT: 1.1000 - 1.1200 MOSTLY: 1.1100 - 1.1150

DELVD SOUTHEAST:

ALL HEATS: 1.0550 - 1.1500

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices are unchanged and nominal. Production was up over the holiday weekend as more butter was made. Also, many area ice cream makers were down for various periods of time and the need for condensed buttermilk eased. The increased output only got producers caught up with their existing orders. Some do have a little on the floor, but most report light inventories. Demand is steady and readily clearing output.

F.O.B. NORTHEAST: .9800 - 1.0000

DELVD SOUTHEAST: 1.0100 - 1.0500

**DRY WHOLE MILK - NATIONAL**

Prices are steady to lower within the range. The butter price at the CME has held surprisingly steady since December 18. Production levels are steady to heavier as more milk was available. Some producers felt it was better to make dry whole milk rather than separate the milk and try to move cream and condensed skim at current market prices. Plant stocks are still closely balanced at most producers' operations. Spot demand is slow to fair.

F.O.B. PRODUCING PLANT: 1.2275 - 1.3700

**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 2000 THROUGH DECEMBER 22, 2000  
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK -- 12,750 MT (28,108,650 LBS)

CHEESE -- 3,030 MT (6,679,938 LBS)

This program-year's allocation is filled.

Allocations for the DEIP year beginning July 1, 2000: Nonfat dry milk - 68,201 MT; Cheese - 3,030 MT; Butterfat - 21,097 MT.

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Prices moved higher again this week and the market tone remains strong. Northeast prices remain nominal as there are few spot sales being reported at the plant level. Some additional milk was available to local cheese makers, but most producers remain sold out through January. The sustained high cost of natural gas is causing more producers to look at adjusting their dry whey pricing to reflect these increasing fuel costs. Demand is good and new orders are being taken for shipment in January. A few contacts are not taking new orders as they try to catch up with existing orders. Export interest remains fairly good. The animal feed market is holding up quite well as users find that supplies of "off grade" product have tightened considerably in the past couple months.

F.O.B. NORTHEAST: EXTRA GRADE .2525 - .2625

USPH GRADE A .2475 - .2675

DELVD SOUTHEAST: .2800 - .3100

**EVAPORATED MILK - NATIONAL**

Prices and the market tone are unchanged. Demand is typical for the post Christmas week. Retailers have enough to carry them into the new year and, in all likelihood, not reorder until current stocks are cleared. Production is up slightly as more surplus milk has been available since late last week. Producer stocks are being replenished while milk prices are still relatively inexpensive.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$20.00 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

**CASEIN - NATIONAL**

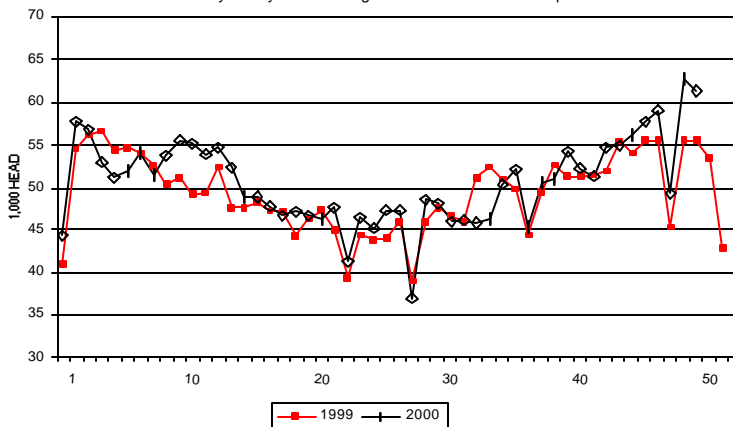
Casein prices are basically unchanged, although the market tone remains firm. Domestic buyers report varying opinions on their supply situation. Some indicate that they are in good balance for their needs while others are having difficulty in making ends meet. Most buyers feel that current market conditions will continue well into 2001. Many were hoping that output in the Oceania region would be heavy enough to once again balance supply/demand, but it appears that this will not be the case.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 2.2500 - 2.4000

ACID: 2.3000 - 2.4500

Weekly Dairy Cow Slaughter under Federal Inspection



## U.S. IMPORTS AND EXPORTS OF DAIRY PRODUCTS, 1999 ANNUAL, JANUARY-SEPTEMBER 1999-2000

COMMODITY SUMMARY OF U.S. IMPORTS OF DAIRY PRODUCTS 1/

Commodity	Quantity (in Metric Tons)			Value (In \$1,000)		
	Jan.-Dec. 1999	Jan.-Sep. 1999	Jan.-Sep. 2000	Jan.-Dec. 1999	Jan.-Sep. 1999	Jan.-Sep. 2000
Milk and Cream <u>2/</u>	16,816	13,872	6,299	16,972	13,800	7,133
Other Fluid Products <u>2/ 3/</u>	172	108	119	28,884	24,709	14,790
Dried Dairy Products	16,911	11,907	14,395	21,926	15,516	16,740
Cheese, Quota	147,642	101,298	97,185	491,074	340,106	332,657
Cheese, Nonquota	52,372	35,763	41,455	224,088	155,918	167,486
Butter	17,977	15,724	11,937	32,680	28,646	18,160
Casein	65,960	47,736	53,947	238,774	173,842	212,526
Milk Protein Concentrate	54,725	37,411	52,118	151,197	102,637	155,126
Other, Dairy Products	43,763	33,345	42,315	86,483	67,035	84,652
Total <u>4/</u>	---	---	---	1,292,078	922,209	1,009,270

1/ Data may differ from U.S. Customs Service data, which is used to administer dairy import quotas. Differences are due to transshipments, errors in classification, and processing lags. 2/ Quantity shown in kiloliters; includes yogurt. 3/ Value data also includes ice cream. 4/ Total volume not shown due to the use of mixed units.

## COMMODITY SUMMARY OF U.S. EXPORTS OF DAIRY PRODUCTS

Commodity	Quantity (in Metric Tons) <u>1/</u>			Value (In \$1,000)		
	Jan.-Dec. 1999	Jan.-Sep. 1999	Jan.-Sep. 2000	Jan.-Dec. 1999	Jan.-Sep. 1999	Jan.-Sep. 2000
Butter & Milkfat	3,208	2,615	6,964	4,511	3,557	6,018
Cheese & Curd	38,341	27,693	33,424	130,203	94,629	98,681
Casein	5,164	3,914	3,144	25,537	19,210	16,260
Dry Whole Milk & Cream	17,656	11,623	12,429	21,528	15,640	13,418
Condensed & Evaporated Milk	4,821	2,776	4,268	3,646	2,596	3,433
Nonfat Dry Milk	141,315	87,960	69,161	192,938	116,741	106,339
Ice Cream	39,590	31,975	33,457	84,508	66,014	71,393
Whey	---	---	---	126,194	90,120	116,441
Yogurt & Other Fermented Milk	---	---	---	7,824	6,128	5,725
Other Dairy Products	---	---	---	298,488	222,731	237,633
Total <u>1/</u>	---	---	---	895,377	637,366	675,341
Fluid Milk & Cream <u>2/</u>	18,277	12,504	14,373	16,226	11,209	12,527
Total Milk & Products <u>1/</u>	---	---	---	911,603	648,575	687,868

1/ Volume information for whey, yogurt and other fermented milk, other dairy products, and total milk and products is not available as these commodities are reported in mixed units. 2/ Quantity shown in kiloliters.

**SOURCE:** "Foreign Agriculture Circular: Dairy, Livestock, and Poultry: U.S. Trade and Prospects", FDLP 11-00, November 2000, U.S. Department of Agriculture, Foreign Agricultural Service, Washington, DC. Data provided by U.S. Department of Commerce, Bureau of the Census. For further information, contact Arthur Coffing at (202) 720-3761.

## FEDERAL MILK ORDER ADVANCE PRICES, JANUARY

**Class I Base Price:** Under the Federal milk order pricing system, the Class I base price for January 2001 is \$13.99 per cwt. This price is derived from the advanced Class IV skim milk pricing factor of \$7.88 and the advanced Class IV butterfat pricing factor of \$1.8244. Class I differentials specific to each order are added to the base price to determine the Class I price. **Class II Price Information:** The advanced Class IV skim milk pricing factor is \$7.88. Thus, the Class II skim milk price for January is \$8.58 per cwt., and the Class II nonfat solids price is \$0.9533. **Product Price Averages:** The two-week product price averages for January are; butter \$1.6110, nonfat dry milk \$1.0159, cheese \$1.0930, and dry whey \$0.2194.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION <u>1/</u> <u>2/</u>				
Federal Milk Order Marketing Area <u>3/</u>	Order Number	January 2001		
		Class I Price (3.5 %)	Class I Skim Milk Price	Class I Butterfat Price
		<u>\$ per cwt.</u>	<u>\$ per cwt.</u>	<u>\$ per pound</u>
Northeast (Boston) <u>4/</u>	001	17.24	11.13	1.8569
Appalachian (Charlotte) <u>5/</u>	005	17.09	10.98	1.8554
Southeast (Atlanta) <u>6/</u>	007	17.09	10.98	1.8554
Florida (Tampa) <u>7/</u>	006	17.99	11.88	1.8644
Midwest (Cleveland) <u>8/</u>	033	15.99	9.88	1.8444
Upper Midwest (Chicago) <u>9/</u>	030	15.79	9.68	1.8424
Central (Kansas City) <u>10/</u>	032	15.99	9.88	1.8444
Southwest (Dallas) <u>11/</u>	126	16.99	10.88	1.8544
Arizona-Las Vegas (Phoenix) <u>12/</u>	131	16.34	10.23	1.8479
Western (Salt Lake City) <u>13/</u>	135	15.89	9.78	1.8434
Pacific Northwest (Seattle) <u>14/</u>	124	15.89	9.78	1.8434
All-Market Average		16.57	10.46	1.8502

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63--the approximate number of gallons in 100 pounds of milk. 2/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table. 3/ Names in parentheses are principal pricing points of markets. 4/ Class I prices at other points are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25; and Washington, DC, minus \$0.25. 5/ Class I prices at other points are: Knoxville, minus \$0.30 and Louisville, minus \$0.90. 6/ Class I prices at other points are: New Orleans; plus \$0.50; Memphis, minus \$0.30; Nashville, minus \$0.50; and Springfield, Mo., minus \$0.90. 7/ Class I prices at other points are: Orlando, same; Miami, plus \$0.30; and Jacksonville, minus \$0.30. 8/ Class I prices at other points are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20. 9/ Class I prices at other points are: Milwaukee, minus 0.05; and Minneapolis, minus, \$0.10. 10/ Class I prices at other points are: Des Moines, minus 0.20; Omaha, minus 0.15; Oklahoma City, plus 0.60; St. Louis, same; and Denver plus \$0.55. 11/ Class I prices at other points are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75. 12/ Class I price at Las Vegas is minus \$0.35. 13/ Class I price at Boise is minus \$0.30. 14/ Class I prices at other points are: Portland, same; and Spokane, same.



CCC PURCHASES OF DAIRY PRODUCTS

FOR THE WEEK OF DECEMBER 25 - 29, 2000				CUMULATIVE TOTALS			UNCOMMITTED INVENTORIES#		
	TOTAL	CONTRACT	ADJUSTED	SINCE	SAME PERIOD	PERIOD ENDING	SAME PERIOD		
	PURCHASES	ADJUSTMENTS	PURCHASES	10/01/00	LAST YEAR	12/22/00	LAST YEAR		
<b>BUTTER</b>									
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>CHEESE</b>									
Block	112,959	50,885	62,074	3,089,468	-0-	-0-	-0-	-0-	-0-
Barrel	259,379	94,896	164,483	3,530,979	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	3,168,000	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	372,338	145,781	226,557	9,788,447	-0-	-0-	-0-	-0-	-0-
<b>NONFAT DRY MILK</b>									
Nonfort	10,263,614	239,686	10,023,928	99,748,296	47,464,825	328,703,000	-0-	-0-	-0-
Fortified	512,498	-0-	512,498	19,298,195	3,490,769	31,208,000	-0-	-0-	-0-
<b>TOTAL</b>	10,776,112	239,686	10,536,426	119,046,491	50,955,594	359,911,000	-0-	-0-	-0-

#Although an uncommitted inventory of NDM has continued to exist for some time, it has not been reported due to CCC's efforts to utilize all NDM purchased under price support.

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF DECEMBER 25 - 29, 2000 =	4.4	124.9	COMPARABLE WEEK IN 1999 =	3.1	164.7
CUMULATIVE SINCE OCTOBER 1, 2000 =	116.5	1,482.6	CUMULATIVE SAME PERIOD LAST YEAR =	11.2	593.1
CUMULATIVE JANUARY 1 - DECEMBER 29, 2000 =	277.2	6,661.6	COMPARABLE CALENDAR YEAR 1999 =	52.1	2,757.7

\* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22  
 \*\*Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

<u>CCC ADJUSTED PURCHASES FOR THE WEEK OF DECEMBER 25 - 29, 2000 (POUNDS)</u>									
	BUTTER			CHEESE			NONFAT DRY MILK		
REGION	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED	
MIDWEST	-0-	-0-	-0-	112,959	259,379	-0-	257,937	-0-	-0-
WEST	-0-	-0-	-0-	50,885	94,896	-0-	9,765,991	512,498	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

<u>CCC ADJUSTED PURCHASES SINCE 10/1/00 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL</u>									
	BUTTER			CHEESE			NONFAT DRY MILK		
REGION	2000/01	1999/00	2000/01	1999/00	2000/01	1999/00	2000/01	1999/00	
MIDWEST	-0-	-0-	5,074,901	-0-	1,557,739	1,511,365	40.5	-0-	-0-
WEST	-0-	-0-	4,673,946	-0-	117,488,752	49,356,045	59.2	100.0	-0-
EAST	-0-	-0-	39,600	-0-	-0-	88,184	0.3	-0-	-0-
<b>TOTAL</b>	-0-	-0-	9,788,447	-0-	119,046,491	50,955,594	100.0	100.0	-0-

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JULY 31, 2000

MANUFACTURING MILK: Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80

DOLLARS PER POUND

BUTTER: Bulk \$.6680; 1# Prints \$.6980

CHEESE: 40 & 60# Blocks \$1.1220; 500# Barrels \$1.0920; Process American 5# \$1.1745; Process American 2# \$1.2145

NONFAT DRY MILK: Nonfortified \$1.0100; Fortified \$1.0200; Instant \$1.1675

Dairy & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 12/09/00 & Comparable Week 1999

Regions*	1	2	3	4	5	6	7	8	9	10	U.S. TOTAL	% DAIRY OF ALL
											WEEK : SINCE JAN 1	WEEK : SINCE JAN 1
2000-Dairy cows HD (000)	0.2	0.8	7.3	5.4	23.9	3.0	4.1	1.0	12.8	2.9	61.4	2,533.8
1999-Dairy cows HD (000)	0.2	1.0	8.1	5.6	21.2	2.2	1.9	1.7	10.8	2.7	55.5	2,471.9
2000-All cows HD (000)	0.2	0.9	9.9	15.6	33.3	16.7	19.6	6.1	15.4	7.6	125.1	5,209.4
1999-All cows HD (000)	0.2	1.2	11.3	14.7	28.6	15.9	17.8	6.1	14.4	8.0	118.2	5,398.2

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

BASIC FORMULA PRICE (BFP), (3.5% BF, \$/CWT. FOR COMPARISON PURPOSES ONLY)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1998	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99	15.10	16.04	16.84	17.34
1999	16.27	10.27	11.62	11.81	11.26	11.42	13.59	15.79	16.26	11.49	9.79	9.63

FEDERAL MILK ORDER CLASS PRICES FOR 2000-2001 (3.5% BF)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN 2001	FEB 2001
Class I 1/	10.90	10.71	10.84	10.93	11.48	11.70	12.46	11.95	11.84	11.89	11.82	12.13	13.99	
Class II	11.43	11.51	11.71	12.10	12.63	13.08	12.58	12.56	12.58	12.54	13.68			
Class III	10.05	9.54	9.54	9.41	9.37	9.46	10.66	10.13	10.76	10.02	8.57			
Class IV	10.73	10.80	11.00	11.38	11.91	12.38	11.87	11.87	11.94	11.81	13.00			

1/ Specific order differentials to be added to this base price are located at: [www.ams.usda.gov/dairy/mib/class\\_prod\\_milk\\_comp\\_pr.htm](http://www.ams.usda.gov/dairy/mib/class_prod_milk_comp_pr.htm)